GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4838
ANSWERED ON:31.03.2017
Disinvestment in CPSEs
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has started disinvestment drive in Central Public Sector Enterprises (CPSEs) and if so, the details thereof; and
(b) the objectives and benefits of disinvesting in the CPSEs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a): Disinvestment in Central Public Sector Enterprises (CPSEs) is undertaken as per the extant disinvestment policy of the Government on 'minority stake sale' and 'strategic disinvestment'.

As a part of the strategy to keep shares readily available for transaction to take advantage of market conditions without any loss of time, the Government has identified some CPSEs for minority stake sale in sectors like mineral & metal, oil, capital goods as well as some mid-size and small stocks.

Government has given 'in-principle' approval for strategic disinvestment of some CPSEs, Units of CPSEs and subsidiaries of CPSEs. However, after completion of the process, specific approval of Government will be sought in each case.

(b): An important objective of listing of CPSEs is to unlock the true value of the company and promote 'people's ownership' by encouraging public participation in CPSEs. With general public becoming the shareholder in the company through the listing route, the management is open to public scrutiny and thus become more accountable to its shareholders.

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